

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

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*In the Matter of:*

Bigelow Post Office  
Bigelow, Arkansas

Docket No. A2011-29

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UNITED STATES POSTAL SERVICE  
COMMENTS REGARDING APPEAL  
(September 29, 2011)

On July 26, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked July 18, 2011, from postal customer The Honorable Brad Akridge (Petitioner) objecting to the discontinuance of the Post Office at Bigelow, Arkansas. On July 27, 2011, the Commission issued Order No. 772, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). In accordance with Order No. 772, the administrative record was filed with the Commission on August 10, 2011. The Commission received two additional written communications on August 11, 2011 from customers of the Bigelow Post Office, from Debra Morse and Eloise Morse. The Petitioner subsequently filed a Petitioner's Statement on August 30, 2011. In addition, the Public Representative submitted comments on September 2, 2011.

The appeal received by the Commission on July 18, 2011, generally raises three main issues: (1) the effect on postal services, (2) the impact upon the Bigelow community (the elderly, businesses and the elementary school's needs), and (3) the calculation of economic savings expected to result from discontinuing the Bigelow Post Office. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal

Service's statutory obligations and Commission precedent,<sup>1</sup> the Postal Service gave consideration to other issues, including the impact upon postal employees. Accordingly, the determination to discontinue the Bigelow Post Office should be affirmed.

### **Background**

The Final Determination To Close the Bigelow, AR Post Office and Continue to Provide Service by Rural Route Service (FD), as well as the administrative record, indicate that the Bigelow Post Office provides EAS-16 level service to 256 Post Office Box customers, 1058 general delivery customers, and retail customers 22 hours per week.<sup>2</sup> The postmaster of the Bigelow Post Office was reassigned on July 31, 2010, and a temporary officer-in-charge (OIC) was installed. Upon implementation of the final determination, the OIC will return to her position at a nearby office.<sup>3</sup> The average number of daily retail window transactions at the Bigelow Post Office is 40. Revenue has generally been low: \$55,423 (145 revenue units) in FY 2008; \$50,845 (133 revenue units) in FY 2009; and \$46,897 (122 revenue units) in FY 2010.<sup>4</sup> The Bigelow Post Office has one meter customer and no permit customers.<sup>5</sup>

Upon implementation of the final determination, delivery and retail services will be provided by rural route delivery administered by the Conway Post Office, an EAS-22

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<sup>1</sup> See 39 U.S.C. 404(d)(2)(A).

<sup>2</sup> Final Determination to Close the Bigelow, AR Post Office and Continue to Provide Service by Rural Route Service ("FD") at 2 (p. 788); Item No. 18, Post Office Closing Proposal Fact Sheet ("Fact Sheet") at 1 (p. 30). In these comments, specific items in the administrative record are referred to as "Item \_\_\_\_." Because of the size of the administrative record totaling 792 pages, the pages of such administrative record have been numbered in order at the bottom of each page, and such pages are indicated in parentheses in each footnote.

<sup>3</sup> FD at 2, 6-7 (pp. 788, 793-4); Fact Sheet at 1 (p. 30); Item No. 33, Proposal to Close the Bigelow, AR Post Office and Continue to Provide Rural Route Service ("Proposal"), at 2, 5 (pp. 61, 64).

<sup>4</sup> FD, at 2 (p. 788); Fact Sheet, at 1 (p. 30); Item No. 29, Proposal, at 2 (p. 61).

<sup>5</sup> Fact Sheet, at 1 (p. 30).

level office located thirteen miles away, which has 289 available Post Office Boxes.<sup>6</sup>

The Bigelow Post Office is currently vacant, and earns 4.3 hours per day.<sup>7</sup>

The Postal Service followed the proper procedures which led to the posting of the FD. All issues raised by the customers of the Bigelow Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and FD, customers received notice through other means. Questionnaires were distributed to delivery customers of the Bigelow Post Office. Questionnaires were also available over the counter for retail customers at Bigelow.<sup>8</sup> A letter from the Manager of Consumer Affairs and Claims, Little Rock, AR was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Bigelow Post Office was warranted, and that effective and regular service could be provided. Such letter also set forth a meeting at the Anne Watson Elementary School, which was held on March 17, 2011.<sup>9</sup> The letter invited customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving rural route delivery.<sup>10</sup> The returned customer questionnaires and Postal Service response letters appear in the administrative record.<sup>11</sup> An analysis of these response letters was performed.<sup>12</sup> In

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<sup>6</sup> FD at 1 (p. 788); Fact Sheet, at 1 (p. 30); Proposal, at 2 (p. 61).

<sup>7</sup> FD, at 2 (p. 788).

<sup>8</sup> FD at 2 (p. 788); Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Bigelow Post Office (p. 32).

<sup>9</sup> Letter from Cary Chism, Manager, Consumer Affairs and Claims, Little Rock, AR Item 21 at 1 (p. 33).

<sup>10</sup> Item 21 at 1-4 (pp. 33-36).

<sup>11</sup> Customer Questionnaires returned or collected (pp. 66-771).

<sup>12</sup> Postal Service Customer Questionnaire Analysis, Item 23 at 1 (p. 38).

addition, representatives from the Postal Service were available at the Anne Watson Elementary School for a community meeting on March 17, 2011, to answer questions and provide information to customers.<sup>13</sup> Customers also received formal notice of the Proposal and potential FD through postings at the Bigelow Post Office and nearby facilities. The Proposal was posted with an invitation for public comment at the Bigelow Post Office from March 31, 2011 to June 1, 2011.<sup>14</sup> The FD was posted at the Bigelow Post Office starting on June 30, 2011, as confirmed by the round-dated FD cover sheets that appear in the administrative record.<sup>15</sup>

In light of the postmaster vacancy, a minimal workload, declining office revenue,<sup>16</sup> the variety of delivery and retail options (including the convenience of rural delivery and retail service),<sup>17</sup> very little recent growth in the area,<sup>18</sup> minimal impact upon the community, and the expected financial savings,<sup>19</sup> the Postal Service issued the FD.<sup>20</sup> Regular and effective postal services will continue to be provided to the Bigelow community in a cost-effective manner upon implementation of the final determination.<sup>21</sup>

Each of the issues raised by the Petitioner is addressed in the paragraphs which follow.

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<sup>13</sup> FD at 2 (p. 788); Item No. 21, Letter to Customer, at 1 (p. 33); Item No. 24, Community Meeting Roster at 1-6 (pp. 40-45); Item No. 25, Community Meeting Analysis (p. 46); Proposal, at 2 (p. 61).

<sup>14</sup> Item 32, Invitation for comments at 1 (p. 59).

<sup>15</sup> FD at 1 (pp. 786-87).

<sup>16</sup> See note 4 and accompanying text,

<sup>17</sup> FD at 3 (p. 789), Item 21 at 2 (p. 34) Proposal, at 5 (p. 64).

<sup>18</sup> FD at 5 (p. 791); Community Survey Sheet (p. 25).

<sup>19</sup> FD at 5-6 (pp. 791-92); Item No. 17 (pp. 26-29), Item No. 18 (p. 30) Proposal at 5 (p. 64).

<sup>20</sup> FD at 1-6 9 (pp. 787-92).

<sup>21</sup> FD at 2, 6 (pp. 788, 792).

## **Effect on Postal Services**

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Bigelow Post Office on postal services provided to Bigelow customers. The closing is premised upon providing regular and effective postal services to Bigelow customers.

The Petitioner, in his letter of appeal, raises the issue of the effect on postal services of the Bigelow Post Office's closing, noting the convenience of the Bigelow Post Office and requesting its retention. The Petitioner expresses particular concern about the effect the closing will have on Bigelow's elderly community, its businesses, and its elementary school. These concerns were considered by the Postal Service. In particular, the Postal Service explained that businesses will continue to receive regular and effective postal services.<sup>22</sup> With regard to senior citizens, the Postal Service explained that services provided at the Bigelow Post Office will be available through the Rural Carrier, and has made clear that special provisions will be made for hardship cases or special customer needs.<sup>23</sup>

The effect of the closing of the Bigelow Post Office on the shipping of packages was also given extensive consideration.<sup>24</sup> Upon the implementation of the Final Determination, service will be provided to cluster box units (CBUs) installed on the carrier's line of travel, so that customers do not have to make a special trip to the Post Office for service.<sup>25</sup> CBUs provide the security of individually locked mail

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<sup>22</sup> FD at 3 (p. 789); Proposal at 3 (p.62).

<sup>23</sup> FD at 3 (p. 789); Proposal at 3 (p. 62).

<sup>24</sup> FD at 2-3 (pp. 788-89); Proposal at 2-3 (pp. 61-62).

<sup>25</sup> FD at 3 (p. 789).

compartments, which was a specific concern voiced by individuals from the Bigelow community.<sup>26</sup> Parcel lockers provide convenient parcel delivery for customers.<sup>27</sup> The utilization of Rural Carrier Service provides the customers of Bigelow with the ability to perform most transactions currently available at the Bigelow Post Office.<sup>28</sup> Through Stamps by Mail and Money Order Application forms, most transactions do not require customers to meet the carrier at the mailbox.<sup>29</sup> Various options exist for the shipping of packages, which are explained on [www.usps.com](http://www.usps.com). If internet access is available, the Postal Service's Click-N-Ship service enables customers to print shipping labels with postage for Express Mail and Priority Mail. Carrier pickup is available, which allows for scheduling the pickup of packages at the same time the carrier delivers the mail. In addition, the Postal Service explained that the Houston and Conway Post Offices can provide answers to questions about possible options for the shipping of packages from a Bigelow address.<sup>30</sup>

The Postal Service has considered the impact of closing the Bigelow Post Office upon the provision of postal services to Bigelow customers. Rural route delivery to CBUs installed on the carrier's line of travel provides similar access to retail service, alleviating the need to travel to the Post Office.<sup>31</sup> Thus, the Postal Service has properly concluded that all Bigelow customers will continue to receive regular and effective service via rural route delivery to CBUs installed on the carrier's line of travel.

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<sup>26</sup> FD at 3 (p. 789); Proposal at 3 (p. 62).

<sup>27</sup> FD at 3 (p. 789); Proposal at 4 (p. 63).

<sup>28</sup> FD at 3 (p. 789).

<sup>29</sup> FD at 3 (p. 789).

<sup>30</sup> FD at 2-4 (pp. 788-90); Item No. 23, Postal Customer Questionnaire Analysis, at 1 (p. 38).

<sup>31</sup> FD at 3 (p. 789); Item 21 at 2 (p. 34); Proposal at 4 (p. 64).

### **Effect upon the Bigelow Community**

The Postal Service is obligated to consider the effect of its decision to close the Bigelow Post Office upon the Bigelow community. 39 U.S.C. § 404(d)(2)(A)(i). While the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Bigelow is an incorporated community located in Perry County.<sup>32</sup> The community has its own government, police protection is afforded by the Perry County Police Department, and Fire Protection is provided by the Bigelow Fire Department. The community is comprised of retired persons, farmers/ranchers, and those who commute to work at nearby communities and local businesses.<sup>33</sup>

The Petitioner's letter of appeal raises the issue of the effect of the closing of the Bigelow Post Office upon the Bigelow community. This issue was extensively considered by the Postal Service, as reflected in the administrative record.<sup>34</sup> The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name.<sup>35</sup> Communities generally require regular and effective postal services and these will continue to be provided to the Bigelow

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<sup>32</sup> The Postal Service concedes that the Final Determination erroneously notes that Bigelow is not an incorporated community; however, clearly the determination did not hinge on this fact, and the Postal Service addressed the specific question of whether an incorporated community is required to have a Post Office. See, FD at 5 (p. 791), but see, Item No. 25, Community Meeting Analysis (p. 46); Proposal at 3 (p. 62).

<sup>33</sup> FD at 5 (p. 791); Proposal at 2-3 (pp. 61-62).

<sup>34</sup> FD at 5 (p. 791); Proposal at 2-3 (pp. 61-62).

<sup>35</sup> Proposal at 2 (p. 61).

community. Carrier service is expected to be able to handle any future growth in the community, and there is no indication that the business community will be affected adversely.<sup>36</sup> The Postal Service noted that questionnaires received from residents of Bigelow indicated that they would continue using local businesses even if the Bigelow Post Office was discontinued.<sup>37</sup>

In addition, the Postal Service has concluded that nonpostal services provided by the Bigelow Post Office can be provided by the Houston and Conway Post Offices. In addition, government forms usually provided by the Post Office are also available by contacting local government agencies.<sup>38</sup>

Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Bigelow Post Office on the community.

### **Economic Savings**

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that rural route carrier service would cost the Postal Service substantially less than maintaining the Bigelow Post Office and would still provide regular and effective service.<sup>39</sup> The estimated annual savings associated with discontinuing the Bigelow Post Office are \$109,808.<sup>40</sup>

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<sup>36</sup> FD at 3 (p. 789); Proposal at 3 (p. 62).

<sup>37</sup> FD at 3 (p. 789); Proposal at 3 (p. 62).

<sup>38</sup> FD at 3 (p. 789); Proposal at 3 (p. 62).

<sup>39</sup> See generally, FD (pp. 787-792); Proposal (pp. 60-64); Item 22, Letter to Customers, p. 29.

<sup>40</sup> FD at 6 (p. 792); Proposal, at 5 (p. 64).



The Petitioner's letter of appeal suggests that the Postal Service has not fairly assessed the savings in this instance, and suggests that (1) the figures for the Postmaster Salary and fringe benefits are inflated; (2) the lease costs would remain the same; and (3) the cost of replacement service is undervalued. However, having broad experience with the costs of running our network, the Postal Service has determined that rural route service is the most cost-effective solution for providing regular and effective service to the Bigelow community and used appropriate judgment in preparing estimates.<sup>41</sup> With regard to employee costs, the cost of a career EAS-16 position was appropriate to use in the calculations, because that figure represents the cost of maintaining a permanent position, which would be filled with a career employee if the Post Office were not discontinued. With regard to the lease, it will expire by its own terms in May of 2012 and the savings will continue from that point forward, and therefore there was a reasonable basis for the Postal Service to estimate a long-term annualized saving.<sup>42</sup> Petitioner's assertion that the Postal Service's desire to close the Bigelow Post Office was a direct result of difficult negotiations regarding increased leasing costs is not supported by the record. Moreover, the cost savings generated by this discontinuance action are substantially greater than any increase sought by the landlord of the Bigelow Post Offices location.

Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies,

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<sup>41</sup> FD at 6 (p. 792); Proposal, at 5 (p. 64).

<sup>42</sup> Post Office Survey Sheet (p. 23)

which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv).<sup>43</sup>

The Postal Service determined that carrier service is more cost-effective than maintaining the Bigelow postal facility and postmaster position.<sup>44</sup> The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

### **Effect on Employees**

As documented in the record, the impact on postal employees is minimal. The postmaster of the Bigelow Post Office was reassigned on July 31, 2010, and a temporary officer-in-charge (OIC) was installed. Upon implementation of the final determination, the OIC will return to her position at a nearby office.<sup>45</sup> Upon implementation of the final determination, the temporary OIC will return to her position at a nearby post office. The record shows that no other employee would be affected by this closing.<sup>46</sup> Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Bigelow Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

### **Conclusion**

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<sup>43</sup> FD at 6 (p. 792); Proposal, at 5 (p. 64).

<sup>44</sup> FD at 6 (p. 792).

<sup>45</sup> FD at 2, 6-7 (pp. 788, 793-4); Fact Sheet at 1 (p. 30); Item No. 33, Proposal to Close the Bigelow, AR Post Office and Continue to Provide Rural Route Service ("Proposal"), at 2, 5 (pp. 61, 64).

<sup>46</sup> FD at 6 (p. 792); Proposal at 5 (p. 64).

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Bigelow Post Office on the provision of postal services and on the Bigelow community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Bigelow customers.<sup>47</sup> The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Bigelow Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Bigelow Post Office be affirmed.

Respectfully submitted,

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<sup>47</sup> FD at 4 (p. 790).

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